Title: I, Payroll/Personnel Manual

Chapter:

Bulletin: Title I, 04-11, Automation of Third Party Debts

Date: September 9, 2004

To: Holders of the Payroll/Personnel Manual

This bulletin provides additional information concerning garnishments of third party debts and serves as a reminder that, effective October 3, 2004, agencies must assume responsibility for processing all **new** third party debts (including new military service deposit deductions) and all changes to **existing** debts (**except for existing military service deposit deductions**).

Please refer to Bulletin Title I, 04-5, Release of the Entry, Processing, Inquiry, and Corrections System (EPIC) Version 2.06, dated March 26, 2004, concerning the changes to EPIC Version 2.06 which allows agencies to process their own third party indebtedness.

Agency Responsibility

Effective October 3, 2004, customer agencies must assume responsibility for managing their employees third party debts. However, for some agencies, NFC will continue to provide this service at an additional cost if an agreement has been established between NFC and your agency to do so.

NFC Responsibility

NFC will continue to process (1) existing military service deposit deductions (**established prior to October 3, 2004**) until the debt has been fully collected or cancelled, and (2) IRS Tax Levies.

Military Service Deposits/Deductions

A separate bulletin will be forthcoming with detailed instructions for processing military service deposit deductions after the October 3 transition.

Garnishments Refund

NFC **no longer issues** refunds for garnishment overpayments due employees. Employees must now collect these funds directly from the third party. For information regarding garnishment refunds, see Bulletin Title I, 03-10, Garnishments Refund Processing Change.

NFC BULLETIN

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Entry/Processing

Garnishments are entered in EPIC using a new payroll document (Deductions Due To Indebtedness). The attachment to this bulletin provides updated instructions on entering the Deductions Due To Indebtedness document in EPIC. These instructions supersede the instructions contained in Bulletin Title I, 04-5, dated March 26, 2004.
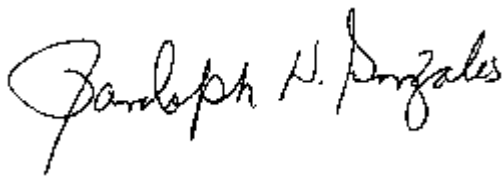
FOCUS Reports

A FOCUS program will be made available for agencies to run which displays garnishment data entered into EPIC. This program will produce a report which allows agencies to determine garnishments that were or were not deducted for a certain pay period. The FOCUS program may be found at: "NFC.FOCS.NFC.EXEC(AGARNISH)".

Procedures

The EPIC procedure, which is available online at the NFC Web site, will be updated to include the information in this bulletin. To view and/or print this procedure, go to the NFC home page (*www.nfc.usda.gov*) and click the **Pubs & Forms** icon. At the Pubs & Forms page left-hand menu, click **List by Title/Chapter** then search for the applicable procedure on the list provided.

Inquiries

For questions about policy/regulations, contact your Agriculture Payroll/Personnel User Group (AGPUG) representative or Committee for Agriculture Payroll/Personnel System (CAPPS) representative. Please refer questions about garnishments to the Payroll Operations Branch at **504-255-4630** . Refer questions about this bulletin to Government Employees Services Branch at **504-255-5322** or via e-mail at *nfc.pvct@usda.gov.*

RANDOLPH H. GONZALES, Acting Director
Government Employees Services Division

Attachment

Deductions Due To Indebtedness Window

Figure 1. Deductions Due To Indebtedness Window

Dept/Agcy	Type the applicable department/agency code. The first two positions are the department code, and the second two positions are the agency code. For a list of department and/or agency codes, go to *www.nfc.usda.gov* and click the **Pubs & Forms** icon.
POI	Type the agency's 4-position Personnel Office Identifier.
SSN	Type the indebted employee's 9-digit social security number.
Effective Pay Period	Type the pay period number of the pay period in which to begin the deductions.
Pay Period Year	Type the 4-digit year that corresponds to the pay period in which to begin the deductions.
Name: Last	Type the last name of the employee.
First	Type the first name of the employee.
Middle	Type the middle name of the employee.

Transaction Code   Click the down arrow to select the applicable type of transaction. Valid values are **New**, **Change**, and **Delete**.

To change data on the existing record, you must reenter payee information.

Type Deduction Code   Type the applicable code to indicate the deduction type. Valid values are:

30	Bankruptcy
33	Education Loan
40	IRS 2159 Payroll Deduction (Voluntary Payroll Agreement)
50	Commercial Garnishment (which includes state or local tax levies)
57	Travel Credit Cards-Other Than Agriculture Agencies
90	Other Departmental Debt
94	Military Service For CSRS
96	Military Service For FERS

- If the type deduction code is **94** or **96**, do not complete the Payee or DD/EFT Information.

- If the type deduction code is **50** (state or local tax levy) and the amount to be deducted exceeds 25 percent of disposable income, enter the type deduction code as **90** instead of **50**.

  Note: Disposable income means any pay due an employee that remains after required deductions for Federal, state, and local income taxes, social security taxes, including Medicare taxes, Federal retirement programs (including TSP contributions), premiums for life and health benefits (including flexfund deductions) and other such deductions required by law to be withheld.

Receipt Account Number   Type the receipt account (RA) number for the garnishment in the following format:

Position	Data
1-3	**000** (3 zeroes)
4-5	Type Deduction Code (e.g., **30** (Bankruptcy)
6-12	Agency assigned sequential number

Note: If the deduction code is **50** or **90** and a tax levy, type **ST** (state) or **LO** (local) to indicate the type of tax levy in positions 11-12.

Balance   Type the balance of the money owed in dollars and cents. If **30** is entered in the type deduction code field, type **999,999.00** in this field.

Deduction Per Pay Period   Type the deduction (amount or percent) to be made each pay period.

Note: You must complete either the deduction amount field or the Percent field. You cannot complete both fields. If **30** is entered in the Type Deduction Code field and the court ordered amount is a monthly amount, multiply that amount by 12 and divide by 26 to obtain the deduction amount per pay period.

Deduction Amount

If the garnishment is based on an amount per pay period, type the amount in dollars and cents.

Note: If data is entered in the Percent field, this field is left blank.

OR

Percent

If the garnishment is based on a percent each pay period, type the applicable percentage.

Note: If data is entered in the Deduction Amount field, this field is left blank.

Deduction Type/Limit

30   **Bankruptcies** - Unlimited (always a fixed dollar amount; no percentage)

33   **Education Loan** -15 percent of disposable income

40   **IRS 2159 Payroll Deduction: Voluntary Payroll Agreement** - Unlimited (always a fixed dollar amount; no percentage)

50   **Commercial Garnishment** - Up to 25 percent of disposable income

50   **State or Local Tax** - Unlimited (always a fixed dollar amount; no percentage).

      Note: If the amount to be deducted exceeds 25 percent of disposable income, enter the deduction type as 90 instead of 50.

57   **Travel Credit Card-Other Than Agricultural Agencies** - 15 percent of disposable income

90   **Other Departmental Debt: Federal debts with funds owed to another Federal agency** - 15 percent of disposable income unless state or local tax exceeds 25 percent of disposable income then fixed dollar amount.

94   **Military Service For CSRS** - Unlimited (voluntary; always a dollar amount)

96   **Military Service For FERS** - Unlimited (voluntary; always a dollar amount)

Note: There is a maximum of five garnishments which may be entered against an employee's pay at one time.

Payee Information

If this is a type **94** or **96** deduction code, **do not include payee or DD/EFT information**. If a check is being issued for the debt payment, complete the name, address, city, state, and ZIP code fields. **Do not enter double spaces, periods, or dashes when entering the payee information.** To verify an address, go to *www.USPS.com* (the United States Postal Service website).

Note: If the debt payment is to be sent to a financial institution through direct deposit (DD)/electronic funds transfer (EFT) **do not** complete the name, address, city, state, and ZIP code fields.

Name

Type the name of the entity to whom the debt is to be paid. This field is only to be completed if a check is being mailed.

Address

Type the street address of the entity to whom the debt is to be paid. This field is only to be completed if a check is being mailed.

City	Type the city of the entity to whom the debt is to be paid. This field is only to be completed if a check is being mailed.
State	Type the 2-position alpha state abbreviation of the entity to whom the debt is to be paid. This field is only to be completed if a check is being mailed.
Zip Code	Type the zip code of the entity to whom the debt is to be paid. The first five positions of the field are the zip code, and the last four positions are the zip+4 code. This field is only to be completed if a check is being mailed.

DD/EFT	If this is a type **94** or **96** deduction code, **do not** enter DD/EFT information. If the debt payment is to be sent to a financial institution through DD/EFT, complete the type account, account number, and routing number fields.
	Note: If a check is being issued for the debt payment, **do not** complete the type account, account number, and routing number fields.
Type Account	Type the applicable code for the type of account for the entity receiving payment if the payment is being made through DD/EFT. Valid values are **C** (checking) and **S** (savings). This field is only to be completed if the payment is being made by DD/EFT.
Account Number	Type the account number for the entity receiving payment if the payment is being made through DD/EFT. This field is only to be completed if the payment is being made by DD/EFT.
Routing Number	Type the routing number for the financial institution of the entity receiving payment if the payment is being made through DD/EFT. This field is only to be completed if the payment is being made by DD/EFT.

Payment Identification	Type any applicable payment information in this field. This information is printed on the check to identify where the creditor is applying the payment.
Status Code	Type **R** (release) to release your document upon completion. Select **File** > **Save.** The Save Changes pop-up appears. Click **[Yes]** to save entries. If all data entered has been accepted, the message *Document Successfully Added* will be displayed. If any data was not accepted, the applicable error message will be displayed. Enter the correct data in the error field(s) as indicated and select **File** > **Save**. Select **File** > **Close** to exit the Deductions Due to Indebtedness window.

Processing:

Data entered may be verified the following day by accessing IRIS (Information/Research Inquiry System) Program IR114 (Receipt Accounts).

If the data previously entered is incorrect in IR114, access the EPIC (Entry, Processing, Inquiry, and Correction System) 089 Document (Deductions Due To Indebtedness) screen and use the following steps:

- At the Transaction Code field, click the down arrow and select **Change**.

- Enter all data and select **File** > **Save**. The Save Changes pop-up appears. Click [Yes] to save entries. If all data entered has been accepted, the message "Document Successfully Added" will be displayed. Select **File** > **Close** to exit the Deductions Due to Indebtedness window.

If the record does not appear in IR114, access the EPIC 089 Document (Deductions Due To Indebtedness) screen and use the following steps:

- Click the down arrow on the Search button to choose the Selection Criteria. At the Selection Criteria pop-up, select the 089 Deduction Record and Suspense Document (EPIC Status). Click [OK]. A listing of all documents entered in suspense will be displayed. Double click on the applicable record. Once the record has been selected, the PINE (Personnel Input and Edit) Suspense Error Listing will be displayed showing any error messages.

- View or Print the error listing. When completed, click outside the PINE Suspense Error Listing box. The system returns to the EPIC document.

- Correct the error(s) by entering all data and select **File** > **Save**. The Save Changes pop-up appears. Click [Yes] to save entries. If all data entered has been accepted, the message "Document Successfully Saved" will be displayed. Select **File** > **Close** to exit the Deductions Due to Indebtedness window.